

## Features

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# Putting Your POS to Work for You

*Sam Kirkland & Rachel Edler*

In today's customer service environment, customers often drive the interactions. They have better access to information, more channels through which to communicate with companies and easier opportunities to go elsewhere than ever before. Because of this, it's even more important to increase your customer engagement.

How can you increase sales, loyalty redemptions, customer frequency and wallet share? What are different things you do, or can do, with loyalty programs to improve customer engagement—and ultimately sales? What are different data points that you can track and monitor to help improve the business? You can accomplish all of this, and more, by putting your point of sale (POS) data to work for you and your marketing.

## Merchandise & Bundle Wisely

Attracting customers to your store with a great offer doesn't mean you have to give away the store. Use affinity analysis to identify an item that has a higher chance of selling with the product on sale or identify a product that should be selling with the promo item, but for some reason isn't. If there's already a high affinity, some cross-merchandising will do wonders.

To help gain the total sale, a Market Basket Analysis or product affinity report helps visualize existing combinations of products that frequently sell together in transactions. For example, perhaps people who buy flowers also tend to buy potting soil and watering cans. This solution helps ensure the business is selling more and that consumers are coupling relevant products.

Retailers can use this information to make changes to:

**Flip the store layout**—Put products that are sold together close to one another to improve the customer shopping experience.

**Revamp marketing**—Target customers who buy flowers and watering cans to encourage them to spend more on their shopping basket.

You have the opportunity to increase profits and revenue with promotions accounting for 83% of unplanned purchases. Promotions can make a big difference in your business by increasing the wallet share per customer.

At Homestead Gardens, if we know there's this strong relationship between one product and another, we try reinforcing this market basket "add-on" through our email messaging before the customer comes to the store.

Here are some ways that properly constructed promotions will help your business:

- Boost store traffic by offering promotions that are more compelling than a simple percentage or dollar-amount discount
- Increase both unit and dollar sales by rewarding customers for purchasing multiple items
- Compete more effectively with big box retailers by offering the same kinds of promotions they regularly use
- Encourage loyalty program signups by making membership a promotion requirement
- Make effective store design decisions regarding promotions, displays, product placements, store segmentation, etc.
- Understand how purchases of products correlate with others
- Heighten marketing effectiveness
- Identify cross-sell and up-sell propositions
- Create promotions that leverage correlations
- Move sluggish inventory

**Bottom line: Make sure you're analyzing your promotions after they've run to improve future promotions.**

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## Get Social

Did you know 91% of retail brands use two or more social media channels? Many garden centers are embracing social media as a way to engage their customers and market their business. Some have started blogs with gardening advice, before/after landscaping projects and even reviews of certain products. Other retailers announce their promotions via Twitter or Facebook. A study by Aberdeen Group shows that companies engaging in social customer service see much bigger annual financial gains, 7.5% YOY growth, vs. those without (2.9%).

Here are a few tips for marketing using social media:

**Encourage interaction:** Social media isn't just about promoting your brand; it's a medium for two-way communication with your customers. Encourage them to share their experiences, acknowledge both praise and negative feedback, and share useful information with your followers.

**Know your target audience:** Every social media channel has its own core demographic. Understanding the audience on your chosen social media channels can be a valuable tool for developing targeted campaigns.

**Develop timely and relevant content:** Take advantage of current events, holidays and social trends to grow your followers organically. This requires really understanding your audience and how to engage with individuals to develop brand advocacy or solve problems in real-time.

**Scale efforts with cross-promotion:** Include social icons prominently in all content including emails, resource and event pages. Also consider developing campaigns specifically for driving subscriptions to social pages and profiles.

**Understand the channel usage frequency:** Some social channels require more interaction than others. This will help brands develop a schedule geared toward the specific audience. And don't forget that Twitter's users are mostly mobile and international.

People don't use social media because they want to be advertised to. As such, make sure you're engaging potential customers with content that's informative, fun and shows your business' personality. It may not directly lead to a sale, but it will create a connection. They may start seeing you as the expert on certain topics or feel personally connected to employees that they may have never met in person. So, rather than showing a picture of a newly finished display, consider showing your Facebook followers an "in-progress" photo of your team building the display.

It still showcases the new and exciting product, but also familiarizes them with your team's friendly faces.

**Bottom line: Social media is driving much bigger increases in retail traffic than any other online channel. GP**

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